



NEWS RELEASE

OFFICE OF THE UNITED STATES ATTORNEY
WESTERN DISTRICT OF MISSOURI

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APRIL 1, 2004

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*Audio comments from U.S. Attorney Todd Graves are available in MP3 format,
and may be downloaded from the district's Web site at
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**OPERATION ICE PALACE
BUSINESS OWNERS, EMPLOYEES INDICTED
FOR CONSPIRACY TO DISTRIBUTE
METH INGREDIENTS**

**INDICTMENTS TARGET 'ILLEGAL SUPPLY LINE'
FOR MANUFACTURING METH**

SPRINGFIELD, Mo. – Todd P. Graves, United States Attorney for the Western District of Missouri, announced today that Operation Ice Palace, a long-term investigation into the illegal sale of large quantities of over-the-counter cold medications to methamphetamine manufacturers in southwest Missouri, has resulted in a series of indictments by a federal grand jury against 38 defendants.

In addition to the alleged conspiracies to distribute pseudoephedrine, Graves said, the indictments also charge several defendants with conspiring to manufacture methamphetamine, money laundering and violating federal firearms laws.

Operation Ice Palace, Graves explained at a press conference this afternoon, targeted businesses that allegedly provided meth cooks with pseudoephedrine, a primary ingredient in the manufacture of methamphetamine. Under federal law, it is illegal to possess or distribute pseudoephedrine knowing (or having reasonable cause to believe) it will be used to manufacture methamphetamine. Such over-the-counter cold medications as Actifed and Swan contain pseudoephedrine.

“Law enforcement agencies from the federal, state and local levels joined forces in Operation Ice Palace, and that cooperation resulted in this successful investigation,” Graves said. “Operation Ice Palace focused on those who profited financially from the meth trade, who fueled the spread of meth in southwest Missouri by providing the necessary ingredients for its manufacture. Disrupting that illegal supply line is an effective strategy for combating meth by stopping it at the source.”

William J. Renton, Jr., Special Agent in Charge of the Drug Enforcement Administration, St. Louis Division, cited this investigation as another outstanding example of cooperative law enforcement. “DEA was honored to participate in this multi-agency investigation into the diversion of legitimate medication for use in the clandestine manufacture of methamphetamine,” Renton said. “The enormous problems associated with methamphetamine production and abuse facing Missouri and the entire nation is exacerbated by supposedly legitimate distributors of precursor chemicals who aid and abet these drug violators.”

Among the 38 defendants charged in the indictments, Graves said, are:

- * The vice president and chief executive officer of Handi-Rak, a distributor of products to convenience stores, headquartered in Brookline, Mo., along with Handi-Rak’s sales manager and four salesmen;
- * The owner of The Castle, a head shop in Forsyth, Mo., and four of his employees;
- * The owners of nine additional businesses (primarily liquor stores and convenience stores) and 14 employees of those and other businesses;
- * Two defendants who allegedly were in possession of pseudoephedrine;
- * Two defendants who allegedly violated federal firearms law, which prohibits an unlawful user or addict of a controlled substance from being in possession of a firearm.

“These indictments should send a message to all business owners,” Graves said. “The legitimate sales of over-the-counter products can’t be used as a smokescreen for an illicit black market. We will hold business owners accountable to follow the law, and we will prosecute the suppliers as aggressively as we prosecute meth manufacturers, because they are all links in the same chain.”

The indictment also contains allegations of money laundering against two defendants who allegedly conducted financial transactions with the proceeds of unlawful activity. The indictment alleges those transactions were conducted for the purpose of promoting unlawful activity and of concealing the nature and source of the proceeds of unlawful activity.

“The prosecution of illegal schemes of this nature is critical to the enforcement of our nation’s laws,” said Al Patton, Special Agent in Charge of IRS Criminal Investigation. “The IRS will not tolerate violators of money laundering laws and will aggressively investigate individuals involved in this type of criminal activity.”

Those charges are contained in four separate indictments, which were returned by a federal grand jury in Springfield on March 31, 2004.

United States v. Roy James Hudspeth, et al

Count One of the federal indictment alleges that all 17 defendants participated in a conspiracy to distribute pseudoephedrine, knowing that it would be used to manufacture methamphetamine, in Greene, Barry, Camden, Jackson, McDonald, Ozark, Taney and Texas counties in Missouri from January 2001 to Nov. 13, 2003.

The indictment also contains 43 additional counts that allege specific actions by individual defendants in furtherance of the conspiracy. Not every defendant is charged in each count of the indictment.

In addition to the conspiracy count:

Handi-Rak Vice President and CEO **Roy James Hudspeth**, 39, of Springfield, is also charged with three counts of money laundering and a forfeiture count, which would require him to forfeit to the government any property derived from the proceeds of the alleged violations, including \$287,956. Handi-Rak Sales Manager **Louie M. Bunch**, 33, of Springfield, is also charged with one count of distributing pseudoephedrine, knowing that it would be used to manufacture methamphetamine, in Texas County. Four Handi-Rak sales agents were also charged with distributing pseudoephedrine, knowing that it would be used to manufacture methamphetamine: **Michael G. Williams**, 35, of Springfield (five counts in Taney County), **Michael Higgins**, 46, of Kansas City, Mo. (five counts in Jackson County), **Troy K. Kelly**, 32, of Gerard, Kan. (five counts in Texas, Camden, and Barry counties), and **Charles Laffoon**, 63, of Harrison, Ark. (four counts in McDonald County). **Williams** is also charged with two counts of money laundering.

Norman R. Weaver, 58, of Seligman, Mo., the owner of Pit Stop and Norm's Grocery in Seligman, is also charged with two counts of possession and one count of distributing pseudoephedrine, knowing that it would be used to manufacture methamphetamine. **Russell A. Brown**, 42, of Seligman, manager of the Pit Stop, is also charged with one count of possession and one count of distributing pseudoephedrine, knowing that it would be used to manufacture methamphetamine.

William Blair, 69, of Bradleyville, Mo., owner of Billy Jack's Package Store in Bradleyville, is also charged with two counts of distributing pseudoephedrine, knowing that it would be used to manufacture methamphetamine.

Richard C. Eckland, 60, of Eagle Rock, Mo., owner of Richard's Conoco and Richard's Quick Check in Eagle Rock, is also charged with three counts of distributing pseudoephedrine, knowing that it would be used to manufacture methamphetamine.

Employees of several businesses were also charged with distributing pseudoephedrine, knowing that it would be used to manufacture methamphetamine. They include **Tracy J. VanBibber**, 38, of Camdenton, an employee of County Corner Convenience Store in Sunrise Beach, Mo. (two counts); **Margaret E. Vinson**, 33, of Garfield, Kan., and **Deborah A. Parker**,

44, address unknown, both employees of Missouri Package in Seligman (one count each); **Gerri Deering**, 46, of Shell Knob, Mo., an employee of Rapid Roberts in Shell Knob (three counts); and **Bonnie M. Jones**, 43, address unknown, an employee of Wade In & Wade Out in Hollister, Mo. (one count).

Gabriel Delossantos, 27, of Rogers, Ark., and **Benjamin W. Paine**, 28, of Purdy, Mo., are each charged with one count of possession of pseudoephedrine, knowing that it would be used to manufacture methamphetamine.

United States v. David L. Deputy, et al

Count One of the federal indictment alleges that all 19 defendants participated in a conspiracy to possess and distribute pseudoephedrine, knowing that it would be used to manufacture methamphetamine, in Greene, Jasper, Taney, Barry, Lawrence, and Ozark counties in Missouri from May 2000 to June 4, 2003.

The indictment also contains 48 additional counts that allege specific actions by individual defendants in furtherance of the conspiracy. The indictment also contains two counts alleging separate conspiracies to manufacture methamphetamine. Not every defendant is charged in each count of the indictment.

In addition to the conspiracy count:

David L. Deputy, 51, of Powersite, Mo., owner of The Castle store in Forsyth, as well as D and D Enterprises, which distributes pseudoephedrine to convenience stores and other businesses, is also charged with one count of possession and two counts of distributing pseudoephedrine, knowing that it would be used to manufacture methamphetamine. **Deputy** is also charged with five counts of money laundering and in a forfeiture count, which would require him to forfeit to the government any property involved in the alleged offense or obtained from the proceeds of the offense alleged in Count One, including \$920,077 and The Castle property at 10413 E. State Highway 76, Suite A, in Forsyth.

Larry L. Crow, 37, of Mountain Home, Ark., sales agent for D and D Enterprises, is also charged with 20 counts of distributing pseudoephedrine, knowing that it would be used to manufacture methamphetamine, in Greene, Jasper, Ozark, and Lawrence counties. **Crow** is also charged with one count of being in possession of a firearm, a .45 caliber Ruger, in furtherance of the conspiracy alleged in Count One.

Three employees of The Castle are also charged with distributing pseudoephedrine, knowing that it would be used to manufacture methamphetamine. They are: **David Deputy's** daughter, **Melissa D. Deputy**, 28, of Branson (two counts), **Joanne E. Lee**, 43, of Powersite (one count), and **Joanne Lee's** daughter, **Melonie Ann Lee**, 24, of Branson (one count).

Roxann M. Bradley, 58, of Springfield, owner of Springfield Discount Liquors in Springfield, is also charged with three counts of distributing pseudoephedrine, knowing that it

would be used to manufacture methamphetamine. Employee **Tara A. Lindsey**, 25, also of Springfield, is also charged with one count of distributing pseudoephedrine, knowing that it would be used to manufacture methamphetamine.

Maynard F. Brown, 58, of Isabella, Mo., owner of Hilltop Store in Ozark County, and employee **Monty Camden**, 49, of Dora, Mo., are also charged with conspiring to manufacture and distribute 50 grams or more of methamphetamine in Ozark County between September 2000 and May 8, 2003. **Brown** is also charged with being in possession of five firearms while he was an unlawful user or addict of methamphetamine, and with being in possession of an Armi Tanfoglio Giuseppe .25 caliber semi-automatic handgun, which had the serial number obliterated.

Ralph Lauffer, 49, of Aurora, Mo., owner of Lauffer's Handi-Mart in Aurora, is also charged with one count of possession and one count of distributing pseudoephedrine, knowing that it would be used to manufacture methamphetamine.

Lauffer's employees **Cassandra L. Falk**, 29, of Mount Vernon, Mo., and **Michael L. Peters**, 36, of Greenfield, Mo., are also charged with conspiring to manufacture and distribute 50 grams or more of methamphetamine in Ozark County between June 2002 and Aug. 8, 2002. Employees **Lori J. Williams**, 36, and **Paul Wells**, 27, both of Aurora, are each charged with one count of possession of pseudoephedrine, knowing that it would be used to manufacture methamphetamine.

Mary Jane Hart, 48, of Doniphan, Mo., owner of Heartland Pit Stop in Doniphan, and employee **Patsy L. Hessling**, 57, also of Doniphan, are charged only in the conspiracy count.

Monte William Vogt, 40, of Carl Junction, Mo., owner of 13th Street Laundry / Pit Stop in Joplin, Mo., and 171 Smokeshop in Asbury, Mo., is also charged with one count of possession of pseudoephedrine, knowing that it would be used to manufacture methamphetamine. Employee **Ruby A. Studyvin**, 41, of Duneweg, Mo., is also charged with two counts of distributing pseudoephedrine, knowing that it would be used to manufacture methamphetamine.

Dalmer G. Wagner, 53, of Jonesboro, Ark., owner of Mombay Variety Store and Behind the Door in Arkansas, is charged only in the conspiracy count.

United States v. Todd A. Brown

Todd A. Brown, 36, of Theodosia, Mo., was charged in a five-count indictment with a series of federal firearms violations.

Counts One through Four of the federal indictment allege that **Brown** was in possession of a total of six rifles, a shotgun and a pistol on four separate occasions from Sept. 10, 2003, to Nov. 12, 2003, in Ozark County, all while he was an unlawful user of, and addicted to, marijuana.

Count Five of the federal indictment alleges that **Brown** was in possession of a Hi-Standard bolt-action 12-gauge shotgun with a barrel less than 18 inches in length, which was not registered to him, on Nov. 12, 2003, in Ozark County.

United States v. Edward E. Meeks

Edward E. Meeks, 48, of Walnut Shade, Mo., was charged in a single-count indictment with being in possession of 12 firearms while he was an unlawful user of, and addicted to, methamphetamine. The indictment alleges that **Meeks** was in possession of six rifles, five shotguns, and a Rohm .357 magnum revolver, on Feb. 28, 2003, in Taney County.

Graves cautioned that the charges contained in the four indictments are simply accusations, and not evidence of guilt. Evidence supporting the charges must be presented to a federal trial jury, whose duty is to determine guilt or innocence.

These cases are being prosecuted by Assistant U.S. Attorney Randall D. Eggert. They were investigated by the Internal Revenue Service, the Drug Enforcement Administration, the Bureau of Alcohol, Tobacco, Firearms and Explosives, COMET (the Combined Ozarks Multi-jurisdictional Enforcement Team), the Missouri State Highway Patrol, the Greene County, Mo., Sheriff's Department, the Lawrence County, Mo., Sheriff's Department, the Ozark County, Mo., Sheriff's Department, the Arkansas State Police, and the Springfield, Mo., Police Department.

This news release, as well as additional information about the office of the United States Attorney for the Western District of Missouri, is available on-line at

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